



STATE BOARD OF EQUALIZATION

November 12, 1959

Attention:

Re:

Gentlemen:

I regret the inconvenience to you, but there was an error in my letter of November 5.

Where an out-of-state retailer has no office in California but maintains a warehouse stock in California, the sales from the warehouse stock are intrastate sales and subject to the 3% State sales tax. The retailer is also required to hold a seller's permit.

For the purposes of State-administered local sales and use taxes we regard such a warehouse stock as the place of sale as to all items shipped from such warehouse stock. It is immaterial whether the warehouse is operated by the retailer or is a public warehouse.

We understand that the retailer in question held such warehouse stocks in Fresno and San Francisco Counties and possibly in Los Angeles County. Accordingly, 1% State-administered local sales tax applies to all shipments from a warehouse stock in Los Angeles County on or after April 1, 1956, from a warehouse stock in San Francisco on and after July 1, 1956, and from a warehouse stock in Fresno County on and after July 1, 1959.

There is, of course, no exemption from local sales tax on sales to electric utilities comparable to the local use tax exemption on purchases by such utilities.

Very truly yours,

Bill Holden
Associate Tax Counsel

BH:rg

cc: Los Angeles – Administrator
San Francisco – Administrator
Headquarters – Unit 7